

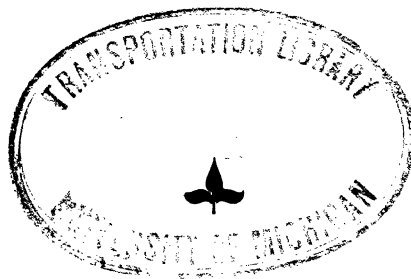
FORTY-FIFTH ANNUAL REPORT

OF

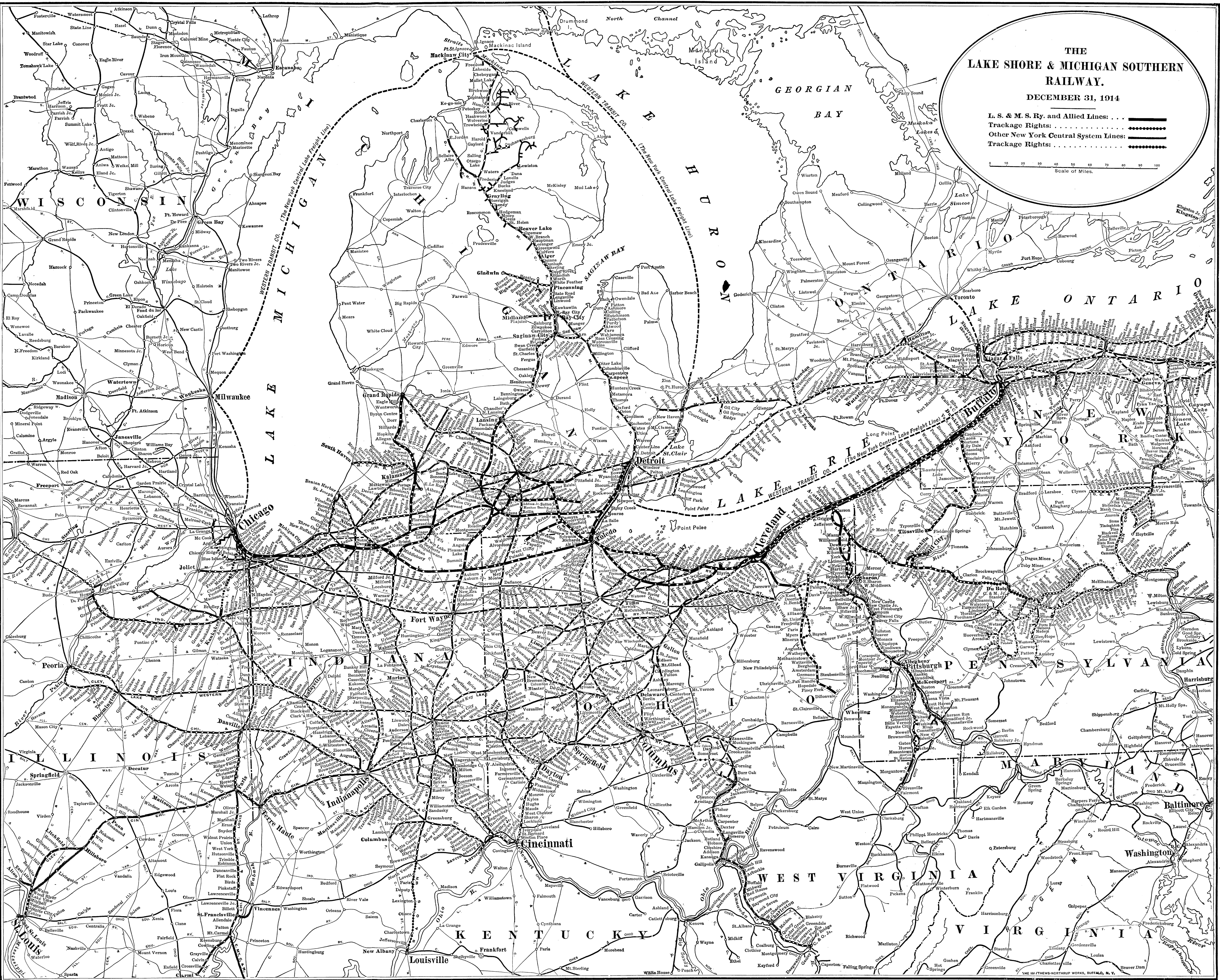
**THE LAKE SHORE AND MICHIGAN SOUTHERN
RAILWAY COMPANY**

FOR THE YEAR ENDED

DECEMBER 31 1914



**CLEVELAND
OHIO**



**THE
LAKE SHORE & MICHIGAN SOUTHERN
RAILWAY.**

DECEMBER 31, 1914

L. S. & M. S. Ry. and Allied Lines: . . .
Trackage Rights: . . .
Other New York Central System Lines: . . .
Trackage Rights: . . .

0 10 20 30 40 50 60 70 80 90 100
Scale of Miles.

FORTY-FIFTH ANNUAL REPORT

OF

THE LAKE SHORE AND MICHIGAN SOUTHERN
RAILWAY COMPANY

FOR THE YEAR ENDED

DECEMBER 31 1914



CLEVELAND
OHIO

ORGANIZATION OF THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY

DIRECTORS

WILLIAM K. VANDERBILT	FREDERICK W. VANDERBILT
LEONARD J. HACKNEY	WILLIAM K. VANDERBILT, JR
WILLIAM ROCKEFELLER	CHAUNCEY M. DEPEW
MARVIN HUGHITT	WILLIAM H. NEWMAN
ROBERT S. LOVETT	ALFRED H. SMITH
GEORGE F. BAKER	W. SEWARD WEBB

FRANK J. JEROME

Term of office expired on consolidation of The Lake Shore and Michigan Southern Railroad Company
and other corporations into The New York Central Railroad Company.

EXECUTIVE COMMITTEE

CHAUNCEY M. DEPEW, *Chairman of the Board of Directors**

ALFRED H. SMITH, *President**

WILLIAM K. VANDERBILT	GEORGE F. BAKER
FREDERICK W. VANDERBILT	WILLIAM K. VANDERBILT, JR.
WILLIAM ROCKEFELLER	MARVIN HUGHITT

WILLIAM H. NEWMAN

**Members ex-officio*

OFFICERS

President	ALFRED H. SMITH	New York
Assistant to President	HOWARD L. INGERSOLL	New York
Vice President	WILLIAM K. VANDERBILT, JR	New York
Vice President	JOHN CARSTENSEN	New York
Vice President	ALBERT H. HARRIS	New York
Vice President	CHARLES F. DALY	New York
Vice President	JOHN J. BERNET	Chicago
Assistant Vice President	EDWARD T. GLENNON	Chicago
Secretary	DWIGHT W. PARDEE	New York
Treasurer	MILTON S. BARGER	New York
Local Treasurer	RUDOLPH P. AHRENS	Cleveland
General Auditor	RICHARD M. HUDDLESTON	Chicago
Auditor	GEORGE M. GLAZIER	Cleveland
General Counsel	FRANK J. JEROME	Cleveland
General Counsel	ROBERT J. CARY	Chicago
General Counsel	BERTRAND WALKER	Chicago
General Solicitor	CLYDE BROWN	New York
General Claims Attorney	FRANK V. WHITING	New York
General Manager	DEWITT C. MOON	Cleveland
General Superintendent	ALBERT S. INGALLS	Cleveland
General Superintendent Telegraph	EDWIN C. KEENAN	Chicago
General Land and Tax Agent	HERBERT D. HOWE	Chicago
Chief Engineer	GEORGE C. CLEVELAND	Cleveland
Superintendent Motive Power	DONALD R. MCBAIN	Cleveland
General Purchasing Agent	SYDNEY B. WIGHT	New York
Purchasing Agent	GEORGE R. INGERSOLL	Cleveland
Freight Traffic Manager	GEORGE H. INGALLS	Chicago
Passenger Traffic Manager	JOHN W. DALY	Chicago
General Passenger Agent	LESTER A. ROBISON	Cleveland

REPORT

Under date of April 29, 1914, the Board of Directors of this company approved an agreement under the terms of which The New York Central and Hudson River Railroad Company, The Lake Shore and Michigan Southern Railway Company, Chicago Indiana and Southern Railroad Company, The Dunkirk Allegheny Valley and Pittsburgh Railroad Company, The Terminal Railway of Buffalo, Geneva Corning and Southern Railway Company, The Detroit and Chicago Railroad Company, The Detroit Monroe and Toledo Railroad Company, The Kalamazoo and White Pigeon Railroad Company, The Northern Central Michigan Railroad Company and The Swan Creek Railway Company of Toledo were to be consolidated into a new company to be named The New York Central Railroad Company. This agreement was duly approved by the public service commissions having jurisdiction in the states through which the several companies affected operated, and at a special meeting of the stockholders of The Lake Shore and Michigan Southern Railway Company, held at Cleveland, Ohio, December 22, 1914, the consolidation was duly ratified, and thereupon, on the same date, the agreement was filed in the offices of the Secretary of State of the states of New York, Pennsylvania, Ohio, Indiana and Illinois, and on December 23, 1914, in the office of the Secretary of State of the state of Michigan. Although the consolidation became effective on the filing of the agreement, in accordance with action taken by the Board of Directors of the new company it was provided that the accounts of each portion of the consolidated road formerly owned by a constituent company should be kept separate until the close of the year 1914. This report, therefore, covers the operations and financial transactions of The Lake Shore and Michigan Southern Railway Company to December 23, 1914, and of the road and property owned by it, prior to that date, to and including December 31, 1914.

On July 1, 1914, there became effective revised classifications of revenues, expenses, income, profit and loss, general balance sheet accounts, expenditures for road and equipment, and locomotive, train and car mileage, as promulgated by the Interstate Commerce Commission, and the accounts and records of the company have been kept since that date in conformity with such classifications and in accordance with the orders of the Commission. For purposes of comparison, the revenue, expense and income accounts, and locomotive, train and car mileage figures for the first six months of the year 1914 and for the entire year 1913 have been correspondingly revised on the basis of the new classifications.

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The mileage embraced in the operation of the road is as follows :

	Miles
Main line and branches	849'80
Proprietary lines	269'72
Leased lines	542'52
Trackage rights	190'13
Total road operated	<u>1,852'17</u>

As compared with the mileage operated during the year ended December 31, 1913, there is an increase of .71 of a mile in main line and branches due to changes in tracks through Air Line Junction yard, a decrease of 1.18 miles in leased lines due to re-classification of track from the passenger station at Oil City, Pennsylvania, to a connection with the Pennsylvania Railroad, a net decrease of .33 of a mile in trackage rights due to adjustments and discontinued use of Pennsylvania Railroad track at Oil City, aggregating 1.07 miles, as against additional trackage acquired over rails of Chicago Indiana and Southern Railroad between Gibson, Indiana, and Gibson Transfer, Indiana, a distance of .74 of a mile. These changes resulted in a net decrease in miles of road operated of .80 of a mile. A table showing in detail the miles of road and track operated will be found upon another page.

There was no change in capital stock during the year, the amount authorized and outstanding December 31, 1914, being \$50,000,000.00.

The funded debt outstanding on December 31, 1913, was

\$169,084,532 79

It has been increased during the year by adding pro-rata liability for additional certificates issued under the New York Central Lines Equipment Trust agreement of 1913

1,154,735 30

\$170,239,268 09

It has been decreased by payments during the year of pro-rata of installments on account of equipment trust certificates as follows :

January 1, fourth installment 1910 trust	\$889,149 54
January 1, second installment 1912 trust	198,330 75
January 1, first installment 1913 trust	58,868 40
November 1, seventh installment 1907 trust	447,226 18

1,593,574 87

Total funded debt outstanding December 31, 1914

\$168,645,693 22

The Lake Shore and Michigan Southern Railway Company

SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

OPERATING INCOME	1914 <i>1,852'17 miles operated</i>	1913 <i>1,852'97 miles operated</i>	Increase	Decrease <i>'80 miles</i>
RAILWAY OPERATIONS				
Revenues	\$51,524,285 83	\$59,353,109 71		\$7,828,823 88
Expenses	37,699,350 80	43,745,396 36		6,046,045 56
NET REVENUE—RAILWAY OPERATIONS	\$13,824,935 03	\$15,607,713 35		\$1,782,778 32
<i>Percentage of expenses to revenues</i>	(73·17%)	(73·70%)		(0·53%)
RAILWAY TAX ACCRUALS	\$2,413,899 63	\$2,126,437 54	\$287,462 09	
UNCOLLECTIBLE RAILWAY REVENUES	4,972 50		4,972 50	
	\$2,418,872 13	\$2,126,437 54	\$292,434 59	
RAILWAY OPERATING INCOME	\$11,406,062 90	\$13,481,275 81		\$2,075,212 91
MISCELLANEOUS OPERATIONS				
Revenues	\$25,282 04	\$23,796 78	\$1,485 26	
Expenses and taxes	10,636 99	11,651 99		\$1,015 00
MISCELLANEOUS OPERATING INCOME	\$14,645 05	\$12,144 79	\$2,500 26	
TOTAL OPERATING INCOME	\$11,420,707 95	\$13,493,420 60		\$2,072,712 65
NON-OPERATING INCOME				
Hire of equipment—credit balance	\$39,826 13	\$667,085 87		\$627,259 74
Joint facility rents	361,871 51	380,247 05		18,375 54
Income from lease of road	5,000 00	5,000 00		
Miscellaneous rents	146,832 19	105,111 30	\$41,720 89	
Miscellaneous non-operating physical property	≈ 1,884 17	608 74		2,492 91
Separately operated property—profit	618,166 77	1,213,371 26		595,204 49
Dividend income	4,589,084 85	6,493,713 80		1,904,628 95
Income from funded securities	196,690 07	564,450 57		367,760 50
Income from unfunded securities and accounts	1,629,968 44	1,025,334 20	604,634 24	
Miscellaneous income	5,912 74	6,144 92		232 18
TOTAL NON-OPERATING INCOME	\$7,591,468 53	\$10,461,067 71		\$2,869,599 18
GROSS INCOME	\$19,012,176 48	\$23,954,488 31		\$4,942,311 83
DEDUCTIONS FROM GROSS INCOME				
Joint facility rents	\$930,365 63	\$901,485 89	\$28,879 74	
Rent for leased roads	2,706,742 99	2,904,413 31		\$197,670 32
Miscellaneous rents	23,159 65	21,916 69	1,242 96	
Miscellaneous tax accruals	2,818 01	1,220 25	1,597 76	
Separately operated properties—loss		36,513 77		36,513 77
Interest on funded debt	6,602,897 22	6,632,067 65		29,170 43
Interest for unfunded debt	1,619,854 09	968,530 64	651,323 45	
Maintenance of investment organization	1,465 09		1,465 09	
TOTAL DEDUCTIONS FROM GROSS INCOME	\$11,887,302 68	\$11,466,148 20	\$421,154 48	
NET INCOME	\$7,124,873 80	\$12,488,340 11		\$5,363,466 31
DIVIDEND APPROPRIATIONS OF INCOME				
On guaranteed stock (12% 1914, 18% 1913)	\$64,020 00	\$96,030 00		\$32,010 00
On common stock (12% 1914, 18% 1913)	5,935,980 00	8,903,970 00		2,967,990 00
TOTAL DIVIDEND APPROPRIATIONS OF INCOME	\$6,000,000 00	\$9,000,000 00		\$3,000,000 00
INCOME BALANCE TRANSFERRED TO CREDIT OF PROFIT AND LOSS	\$1,124,873 80	\$3,488,340 11		\$2,363,466 31
Amount to credit of profit and loss (free surplus), December 31, 1913				\$49,135,944 06
Add:				
Balance to credit of profit and loss for the year 1914		\$1,124,873 80		
Profit from sale of \$4,450,000.00 bonds of The Cleveland Short Line Railway Company		253,035 00		
Profit from sale of 3,000 shares of Reading Company common stock		172,793 70		1,550,702 50
				\$50,686,646 56
Deduct:				
Loss in exchange on one year notes retired during the year		\$106,000 00		
Commission and expenses on one year notes issued during the year		75,593 64		
Discount, commission and expenses on New York Central Lines equipment trust certificates of 1913		29,402 98		
Adjustment of sundry accounts including uncollectible items (net)		126,653 22		337,649 84
Balance to credit of profit and loss (free surplus), December 31, 1914				\$50,348,996 72

*Debit

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The total railway operating revenues for the year were \$51,524,285.83, a decrease of \$7,828,823.88 or 13.19 per cent as compared with the previous year. The decline in operating revenues, which commenced in the latter part of 1913, continued during the year of 1914, reflecting the general business depression prevailing throughout the country.

Freight revenue was \$31,979,887.51, a decrease of \$6,510,296.24 or 16.94 per cent. There was a falling off in practically all classes of revenue freight carried, which amounted to 33,817,871 tons, being 9,276,162 tons or 21.52 per cent less than last year. Tons carried one mile decreased 22.59 per cent and freight train mileage 23.5 per cent. The general reduction in freight traffic was partially caused by diminution in the export and import business of the country, and by a large decrease in tonnage of bituminous coal handled, brought about by a cessation of coal mining operations in southeastern Ohio since April 1st through a strike of miners as a result of a disagreement between mine operators and employees in connection with the Green screenings law. The hoof and mouth disease, which was prevalent during the latter part of the year in parts of the states of Ohio, Michigan and Indiana tributary to the company's rails, made necessary rigid quarantine regulations, causing a decreased movement in live stock and packing house products.

In May, 1913, this company joined with other carriers in an application to the Interstate Commerce Commission for an increase of approximately five per cent in freight rates. After devoting considerable time to hearings, and requiring the carriers to submit a voluminous amount of data compiled at a large expense to them, the Commission granted to roads in Central Freight Association territory an increase of five per cent to apply on class rates and certain commodities, but not including coal, ore and several other commodities which comprise a large portion of the tonnage handled by the company. The increased rates became effective October 26, 1914, and have not, therefore, materially affected the freight revenue of the company for the year. The Commission, in rendering their decision on the application for increased freight rates, recommended an increase, where permissible, in passenger rates, and the abolition of various kinds of free service heretofore having been performed by the railroads.

Passenger revenue amounted to \$12,735,521.64, a decrease of \$690,693.47. There were decreases in the number of passengers carried of 1,027,654, or 9.84 per cent, in passengers carried one mile of 44,941,965, or 6.61 per cent, in passenger train mileage of 6.72 per cent, and in density of passenger traffic of 9.99 per cent.

Revenue from transportation of mails was \$2,148,900.44, an increase of \$88,611.13, due to the reinstatement, effective January 26, 1914, in mail service of certain magazines which were being handled in freight train service, and additional remuneration allowed from July 1, 1913, account parcel post.

Revenue derived from express traffic was \$1,687,490.08, a decrease of \$416,125.77, attributable to smaller volume of business handled, caused by the business depression and increasing use made of the parcel post facilities, also to reduction in express rates which became effective February 1, 1914, by order of the Interstate Commerce Commission.

The Lake Shore and Michigan Southern Railway Company

Other transportation revenues amounted to \$1,197,499.22, a decrease of \$114,228.36, principally due to reduction in receipts from switching, occasioned by the falling off in freight traffic.

Incidental revenues, which include practically all revenues heretofore shown under other than transportation and auxiliary revenues, were \$1,774,986.94, a decrease of \$186,091.17. The noticeable reductions were in revenues derived from dining and buffet cars, parcel rooms, demurrage and miscellaneous sources, the latter including revenues from operation of coal and ore docks, all of which are the result of the decrease in freight and passenger business.

Operating expenses for the year, by groups, were :

	Amount	Decrease	Per cent
Maintenance of way and structures	\$5,561,822 90	\$2,061,371 48	27'04
Maintenance of equipment	10,877,316 84	1,633,232 21	13'05
Traffic	960,220 12	113,887 96	10'60
Transportation	18,284,601 98	2,464,309 12	11'88
Miscellaneous operations	589,773 61	74,727 25	11'25
General	1,425,615 35	301,482 46*	26'82
*Increase Total	<u>\$37,699,350 80</u>	<u>\$6,046,045 56</u>	<u>13'82</u>

In the maintenance of the roadbed, buildings and other structures, such work was done as was necessary in order to maintain the property to its standard. There were 450,000 less ties renewed and 100 miles less of rail relaid than in the previous year. Expenditures for new ballasting and renewing of bridges and right of way fences were curtailed somewhat. Owing to the condition of the train shed at the Cleveland Union Passenger Station it became necessary to tear it down, in place of which an inexpensive but useful and safe arrangement, with overhead concourse and improved capacity of tracks and platforms, was built. The expense of this work, together with the cost of other improvements which were made at the station simultaneously, resulted in a charge against maintenance expenses of \$125,000.00, causing the increase shown against station and office buildings.

Although decreases are shown in practically all maintenance of equipment items, excepting depreciation, due to a diminished demand for use of the company's equipment during the year, expenditures were necessary in equipping 183 locomotives with automatic fire doors and the application of United States safety appliance standards to a large number of freight and passenger cars in order to comply with various state and federal laws. There were also substantial expenditures for other additions and betterments.

The decrease in traffic expenses is attributable principally to a lesser amount expended for advertising. Increases are shown for superintendence and outside agencies, due to the transfer of payrolls of soliciting agency offices located along the line of the road, previously paid by fast freight lines. The increase in these accounts are offset by a corresponding reduction in the expense of fast freight lines.

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In transportation expenses practically all items affected by traffic conditions show decreases, due to falling off in traffic.

Miscellaneous operations, which consist largely of expenses previously shown under "Outside Operations," decreased \$74,727.25, attributable to reduction in dining and buffet car service and in the cost of ice used in the company's commercial ice supply plants.

General expenses increased \$301,482.46, due to heavier legal and other expenses on account of the consolidation, additional accounting expense incurred in the preparation of data for the application for the increase in freight rates and to comply with legislative requirements, preliminary work in connection with the proposed Federal valuation of this company's lines and increase in amount paid for pensions. In the operation of the Pension Department during the year 99 employees were retired and placed upon the pension rolls. Of these retirements 49 were authorized because of the attainment of seventy years of age and 50 because of total permanent physical disability. Thirty-four died during 1914, and at the close of the year 429 retired employees were carried upon the pension rolls.

Railway tax accruals amounted to \$2,413,899.63, an increase over the previous year of \$287,462.09, chiefly due to a higher valuation placed upon the company's property and increase in tax rates.

Non-operating income for the year amounted to \$7,591,468.53, a decrease of \$2,869,599.18 as compared with the previous year. There was a loss in income from dividends on stock owned by the company of \$1,904,628.95, largely due to the fact that no dividends were received on preferred stock of The New York Chicago and St Louis Railroad Company and on the stock of The Toledo and Ohio Central Railway Company as compared with five per cent on each received in 1913; also to the payment in 1913 by The Pittsburgh and Lake Erie Railroad Company of an extra dividend amounting to five per cent as compared with no extra dividend received in 1914. Income from funded securities decreased \$367,760.50 account sale of bonds of The Cleveland Short Line Railway Company. There were also large decreases in income from rental of equipment, and the company's proportion of profit from operation of The Pittsburgh McKeesport and Youghiogheny Railroad, caused by the business depression prevailing throughout the year. Income from unfunded securities and accounts increased \$604,634.24, due to interest on additional loans made by the company during the year.

Deductions from gross income for the year were \$11,887,302.68, an increase over last year of \$421,154.48. The interest charges on unfunded debt were \$651,323.45 in excess of similar charges for 1913, due to additional short term notes issued during the year.

Out of the net income for the year, amounting to \$7,124,873.80, there were paid two dividends of six per cent each on both the guaranteed and common capital stock, aggregating twelve per cent or \$6,000,000.00, leaving a balance of \$1,124,873.80 which was transferred to the credit of profit and loss.

The Lake Shore and Michigan Southern Railway Company

There was expended during the year, for additions and improvements to the property, \$2,446,705.46, excluding equipment expenditures, all of which was charged direct to property investment account. The important items consisted of:

Completion of new car repair plant at Ashtabula to be used for repairing steel equipment.

Continuation of improvements at Air Line Junction, Ohio, consisting of additional yard tracks, new freight engine terminals and car repair shops.

Separation of grades and construction of third and fourth tracks through the City of Elyria, Ohio.

Continuation of work in connection with change of line at Port Clinton, Ohio.

Completion of new locomotive repair shops at Elkhart, Indiana.

Purchase from Armour & Company of ice houses located at Air Line Junction, Ohio.

Acquisition of land at Blasdel for connection with the Terminal Railway of Buffalo.

In addition to the above, expenditures were made for separation of grades at Chicago, Ashtabula, Cleveland, Toledo, Detroit and Sandusky in order to comply with state and municipal requirements.

A statement showing in detail the expenditures for additions and betterments will be found on a following page.

In an action instituted by the United States against this company and the Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, The Toledo and Ohio Central Railway Company, The Kanawha and Michigan Railway Company and others, the Circuit Court of the United States for the Southern District of Ohio on March 14, 1914, entered a decree in which, among other things, it was adjudged that the ownership of The Lake Shore and Michigan Southern Railway Company and the Chesapeake and Ohio Railway Company (although not in form joint, but separate) in the stock of The Kanawha and Michigan Railway Company and the resulting control of the latter company inhering in such holdings, were acquired in violation of the laws of the United States and in order to avoid further infraction of the federal law in this respect it was ordered that either the stock of The Kanawha and Michigan Railway Company, held by the Chesapeake and Ohio Railway Company, shall be sold and transferred to this company, or such holdings of both companies shall be disposed of by absolute sale. As a result of said decree, this company sold all of its holdings in stock of The Kanawha and Michigan Railway Company, consisting of 40,296 shares, to The Toledo and Ohio Central Railway Company, receiving in payment therefor the one year five per cent note of that company dated October 1, 1914, amounting to \$2,901,312.00. The company also loaned to The Toledo and Ohio Central Railway Company \$2,888,500.00 in cash to enable it to purchase the holdings of the Chesapeake and Ohio Railway Company and others in stock of The Kanawha and Michigan Railway Company, receiving five per cent promissory

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notes for the amount so loaned, all of which notes are secured by a pledge of the stock of The Kanawha and Michigan Railway Company so acquired.

In accordance with an agreement between this company and the Pere Marquette Railroad Company, the Cincinnati Hamilton and Dayton Railway Company, the Pennsylvania Company, The Michigan Central Railroad Company, The Grand Trunk and Western Railway Company, and The Toledo St Louis and Western Railway Company and The Hocking Valley Railway Company and The Toledo and Ohio Central Railway Company, this company transferred to The Hocking Valley Railway Company and The Toledo and Ohio Central Railway Company each 1.16 per cent of the company's holdings or 464 shares of the capital stock of the Toledo Terminal Railroad Company, each of the latter companies agreeing to assume its pro-rata share of liability for deficiency in interest charges and working expenses of the Toledo Terminal Railroad Company accruing after January 1, 1914.

There were sold during the year 3,000 shares, par value \$150,000.00, of the common capital stock of the Reading Company and \$4,450,000.00 of the first mortgage bonds of The Cleveland Short Line Railway Company. There were also sold 18 shares, par value \$1,800.00, of the common stock of the Chicago Indiana and Southern Railroad Company, 9 shares, par value \$900.00, of the stock of The Detroit and Chicago Railroad Company, 11 shares, par value \$1,100.00, of the stock of The Detroit Monroe and Toledo Railroad Company, 14 shares, par value \$1,400.00, of the stock of The Kalamazoo and White Pigeon Railroad Company, 18 shares, par value, \$1,800.00, of the stock of The Northern Central Michigan Railroad Company, and 10 shares, par value \$1,000.00, of the stock of The Swan Creek Railway Company.

There were acquired during the year by purchase 158 shares of stock, par value \$7,900.00, of The Pittsburgh McKeesport and Youghiogeny Railroad Company.

During the year the company issued its short term notes running for one year or less as follows: On January 22, 1914, \$7,000,000.00 of one year 5 per cent notes payable January 22, 1915; on May 15, 1914, one year discount, United States, franc and pound sterling notes, payable May 15, 1915, for a total amount of \$19,124,230.23; on June 10, 1914, \$6,000,000.00 of one year discount notes, payable June 10, 1915; on September 6, 1914, one year pound sterling notes payable September 6, 1915, for an amount equivalent to \$1,425,000.00; on December 1, 1914, \$14,774,000.00 of nine months 5 per cent notes payable September 1, 1915, and \$3,726,000.00 of one year 5 per cent notes payable December 1, 1915, and on December 15, 1914, one year notes payable December 15, 1915, for \$755,000.00, making a total amount of short term notes issued by the company during the year \$52,804,230.23; of the proceeds realized \$23,767,910.00 was used in retiring the company's one year notes due March 15, 1914, for \$12,000,000.00; one year pound sterling notes due May 15, 1914, for \$9,726,500.00, and one year pound sterling notes due September 6, 1914, for \$2,041,410.00; the balance of the proceeds realized were placed in the treasury of the company.

The Lake Shore and Michigan Southern Railway Company

The laws of the State of Ohio gave to dissenting stockholders of The Lake Shore and Michigan Southern Railway Company the right to have their stock purchased before consolidation. The New York State Realty and Terminal Company, all of the stock of which was owned by The New York Central and Hudson River Railroad Company, acquired 32,200 shares at the price of \$500.00 per share, and borrowed from The Lake Shore and Michigan Southern Railway Company \$16,100,000.00 which it used in making the purchase, and for which it gave its promissory notes.

Under the contracts for the acquisition of coal lands in Christian, Montgomery, Fayette, Saline, Franklin and Williamson Counties, Illinois, as fully referred to in report for the year 1912, the company has received during the year deeds for 4,594 acres of additional coal lands and has paid therefor \$126,647.89, making the total lands acquired to December 31, 1914, 74,573 acres at an aggregate cost of \$2,399,659.34.

The stockholders of the company at a special meeting held on June 16, 1914, approved the placing upon the railroad of the company of a mortgage amounting to \$100,000,000.00, to secure the twenty-five year four per cent gold bonds which had been issued in accordance with two indentures executed by the company to the Guaranty Trust Company of New York, trustee, dated November 18, 1903, and March 12, 1906, under each of which were issued \$50,000,000.00 par value of bonds, or a total amount of \$100,000,000.00. The Board designated as trustees under the mortgage the Central Trust Company of New York and Frank L. Littleton of Indianapolis, Indiana. Effective November 15, 1914, the Guaranty Trust Company of New York resigned as trustee for the twenty-five year gold bonds of 1903 and 1906, whereupon the Central Trust Company was appointed by the Board as trustee of said bonds.

The New York State Workmen's Compensation Act which became effective July 1, 1914, while of very limited application to employees of interstate carriers, owing to the Federal Employers' Liability Act, was of such a nature that the State Compensation Commission required the company to deposit \$2,500.00 in cash and \$25,000.00 par value of New York City 4½ per cent bonds, costing the company \$25,503.87.

The United States Express Company which had been conducting a through express business over the company's tracks from points east of Buffalo in connection with the Lackawanna Railroad, destined to Cleveland, Sandusky, Toledo, Detroit and Chicago and points beyond and vice versa, withdrew from the express business as of June 30, 1914. Thereupon a contract was made with the Adams Express Company, effective July 1, 1914, granting to that company practically the same territory and privileges heretofore enjoyed by the United States Express Company.

Out of \$24,000,000.00 of certificates authorized under New York Central Lines Equipment Trust agreement dated January 1, 1913, there were issued to December 31, 1913, an aggregate of \$15,494,000.00, of which this company's pro-rata allotment was \$1,213,072.16. During the year 1914 additional certificates were issued amounting in total to \$6,944,000.00. The cost of the equipment assigned to this company in connection with the issue of these latter certificates is approximately \$1,291,333.18,

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and its pro-rata amount of certificates, representing an amount not to exceed 90 per cent of the cost, is \$1,154,735.30.

Cost of road and equipment on December 31, 1913, was \$147,356,093 89

It has been increased during the year as follows :

Expenditures for additions and betterments to the property as shown in detail elsewhere	\$2,446,705 46	
Cost of equipment received during the year under the equipment trust of 1913	1,603,587 61	
Additional equity in 468 refrigerator cars covered by Merchants Despatch Equipment Trust of 1911	35,077 50	
Cost of equipment in excess of amount required to restore equity in equipment trusts of 1907, 1910 and 1912	19,696 71	4,105,067 28
		<hr/> \$151,461,161 17
Value of equipment retired from service during the year	\$1,036,234 06	
Less amount charged account additions and betterments and adjustments	609,047 80	427,186 26
Cost of road and equipment, December 31, 1914		<hr/> \$151,033,974 91

A new transfer house which was constructed by the Indiana Harbor Belt Railroad Company near Gibson, Indiana, was opened for business on January 22, 1914. This transfer house is used for less than carload freight and at present is handling that class of freight received from Chicago industries and western railroads destined to points east and south of Chicago. The transfer house is used jointly by this company and The Michigan Central Railroad Company, Chicago Indiana and Southern Railroad Company and Indiana Harbor Belt Railroad Company. It was necessary for the company, in order to avail itself of the use of this facility, to acquire trackage rights for its freight trains over the rails of the Chicago Indiana and Southern Railroad Company between Indiana Harbor, Indiana, and Gibson Transfer, Indiana.

Mr. Alfred H. Smith, who was on December 10, 1913, elected President and a Director of the company, assumed the duties of those offices on January 1, 1914.

On March 1, Mr. Frederick Zimmerman was appointed General Freight Agent of the company.

Acknowledgment is hereby rendered to officers and employees for faithful and efficient service.

ALFRED H. SMITH,
President.

*The Lake Shore and Michigan Southern Railway Company**REVENUES IN DETAIL (Railway operations)*

TRANSPORTATION				
	1914	1913	Increase	Decrease
Freight	\$31,979,887 51	\$38,490,183 75		\$6,510,296 24
Passenger	12,735,521 64	13,426,215 11		690,693 47
Excess baggage	161,916 00	172,592 81		10,676 81
Mail	2,148,900 44	2,060,289 31	\$88,611 13	
Express	1,687,490 08	2,103,615 85		416,125 77
Other passenger train	94,866 02	97,540 46		2,674 44
Milk	63,534 86	56,972 55	6,562 31	
Switching	851,650 89	965,001 81		113,350 92
Special service train	18,998 82	19,619 95		621 13
Other freight train	6,532 63		6,532 63	
Totals	\$49,749,298 89	\$57,392,031 60		\$7,642,732 71
INCIDENTAL				
Dining and buffet	\$593,154 08	\$614,925 50		\$21,771 42
Hotel and restaurant	32,053 81	24,407 50	\$7,646 31	
Station, train and boat privileges	20,618 46	18,973 02	1,645 44	
Parcel room	48,499 70	58,512 95		10,013 25
Storage—freight	41,793 41	44,859 45		3,066 04
Storage—baggage	10,329 75	10,605 15		275 40
Demurrage	162,515 42	198,435 42		35,920 00
Telegraph and telephone	2,154 74	1,799 96	354 78	
Stockyard	10,296 67	1,090 99	9,205 68	
Rents of buildings and other property	163,535 06	183,093 95		19,558 89
Miscellaneous	708,848 31	842,000 23		133,151 92
Joint facility—Cr.	19,989 12	20,440 47		451 35
Joint facility—Dr.	38,801 59	58,066 48	19,264 89	
Totals	\$1,774,986 94	\$1,961,078 11		\$186,091 17
Total railway operating revenues	\$51,524,285 83	\$59,353,109 71		\$7,828,823 88

EXPENSES IN DETAIL (Railway operations)

MAINTENANCE OF WAY AND STRUCTURES				
	1914	1913	Increase	Decrease
Superintendence	\$325,831 93	\$329,401 92		\$3,569 99
Roadway maintenance	651,140 27	785,485 38		134,345 11
Tunnels and subways	33 35	302 55		269 20
Bridges, trestles and culverts	203,865 26	355,221 57		151,356 31
Ties	1,010,085 26	1,236,350 59		226,265 33
Rails	207,127 52	305,256 80		98,129 28
Other track material	223,162 45	375,233 95		152,071 50
Ballast	59,965 14	335,530 49		275,565 35
Track laying and surfacing	1,293,158 51	2,027,133 96		733,975 45
Right-of-way fences	14,375 37	47,537 84		33,162 47
Snow and sand fences and snowsheds	873 15	2,547 96		1,674 81
Crossings and signs	75,976 05	114,891 66		38,915 61
Station and office buildings	280,935 90	266,656 37	\$14,279 53	
Roadway buildings	15,903 57	30,062 23		14,158 66
Water stations	63,374 99	90,269 90		26,894 91
Fuel stations	47,088 80	57,737 29		10,648 49
Shops and enginehouses	170,969 29	218,635 24		47,665 95
Coal and ore wharves	57,782 18	39,892 60	17,889 58	
Telegraph and telephone lines	123,108 17	140,378 68		17,270 51
Signals and interlockers	323,943 44	352,913 71		28,970 27
Power plant buildings	870 11	128 09	742 02	
Power substation buildings	9 51		9 51	
Power transmission systems	9 83		9 83	
Power distribution systems	2,802 26	1,988 25	814 01	
Roadway machines	18,433 52	26,173 58		7,740 06
Small tools and supplies	53,571 18	98,027 28		39,456 10
Carried forward,	\$5,229,397 01	\$7,237,757 89		

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EXPENSES IN DETAIL (Railway operations)—continued

MAINTENANCE OF WAY AND STRUCTURES—Concluded				
	1914	1913	Increase	Decrease
Brought forward	\$5,229,397 01	\$7,237,757 89		
Removing snow, ice and sand	186,808 73	140,086 05	\$46,722 68	
Assessments for public improvements	17,198 96	43,469 99		\$26,271 03
Injuries to persons	36,549 47	36,030 52	518 95	
Insurance	25,014 45	19,615 09	5,399 36	
Stationery and printing	13,060 06	19,823 99		6,763 93
Other expenses	1,133 11	628 64	504 47	
Maintaining joint tracks, yards and other facilities—Dr.	414,614 22	384,088 73	30,525 49	
Maintaining joint tracks, yards and other facilities—Cr.	361,953 11	258,306 52		103,646 59
Totals	\$5,561,822 90	\$7,623,194 38		\$2,061,371 48

MAINTENANCE OF EQUIPMENT				
Superintendence	\$269,509 86	\$267,738 49	\$1,771 37	
Shop machinery	177,283 21	297,678 64		\$120,395 43
Power plant machinery	9,287 01	2,336 65	6,950 36	
Steam locomotives—repairs	2,305,726 64	2,674,668 29		368,941 65
Steam locomotives—depreciation	344,283 66	317,985 90	26,297 76	
Steam locomotives—retirements	86,170 38	423,357 79		337,187 41
Freight-train cars—repairs	5,325,350 48	5,935,739 71		610,389 23
Freight-train cars—depreciation	972,996 00	954,099 77	18,896 23	
Freight-train cars—retirements	483,696 48	468,461 40	15,235 08	
Passenger-train cars—repairs	483,797 73	615,500 95		131,703 22
Passenger-train cars—depreciation	125,122 07	111,181 37	13,940 70	
Passenger-train cars—retirements	41,359 41	128,775 88		87,416 47
Floating equipment—depreciation	607 68	607 68		
Work equipment—repairs	98,984 90	122,450 42		23,465 52
Work equipment—depreciation	46,130 28	44,822 69	1,307 59	
Work equipment—retirements	21,404 59	31,215 54		9,810 95
Injuries to persons	37,666 85	60,957 64		23,290 79
Insurance	6,990 56	12,780 96		5,790 40
Stationery and printing	25,795 46	33,211 72		7,416 26
Other expenses	2,265 59	863 78	1,401 81	
Maintaining joint equipment at terminals—Dr.	16,529 36	10,525 60	6,003 76	
Maintaining joint equipment at terminals—Cr.	3,641 36	4,411 82	770 46	
Totals	\$10,877,316 84	\$12,510,549 05		\$1,633,232 21

TRAFFIC				
Superintendence	\$272,245 86	\$239,864 62	\$32,381 24	
Outside agencies	222,341 39	210,798 80	11,542 59	
Advertising	64,949 35	150,453 24		\$85,503 89
Traffic associations	22,234 77	24,960 57		2,725 80
Fast freight lines	226,179 11	284,069 92		57,890 81
Industrial and immigration bureaus	3,506 92	7,947 99		4,441 07
Insurance	217 70	242 04		24 34
Stationery and printing	148,258 43	155,197 50		6,939 07
Other expenses	286 59	573 40		286 81
Totals	\$960,220 12	\$1,074,108 08		\$113,887 96

TRANSPORTATION—RAIL				
Superintendence	\$517,805 74	\$475,065 35	\$42,740 39	
Dispatching trains	104,557 59	97,372 70	7,184 89	
Station employees	2,984,848 80	3,318,618 97		\$333,770 17
Weighing, inspection, and demurrage bureaus	41,951 98	46,333 17		4,381 19
Coal and ore wharves	388,368 72	560,547 14		172,178 42
Station supplies and expenses	165,091 18	178,697 11		13,605 93
Yardmasters and yard clerks	380,194 33	422,192 91		41,998 58
Yard conductors and brakemen	1,441,722 69	1,707,714 92		265,992 23
Yard switch and signal tenders	141,421 26	165,558 73		24,137 47
Yard enginemen	876,266 37	1,114,276 18		238,009 81
Fuel for yard locomotives	857,597 36	942,684 94		85,087 58
Water for yard locomotives	68,175 69	76,164 37		7,988 68
Carried forward	\$7,968,001 71	\$9,105,226 49		

The Lake Shore and Michigan Southern Railway Company

EXPENSES IN DETAIL (Railway operations)—concluded

TRANSPORTATION—RAIL—concluded				
	1914	1913	Increase	Decrease
Brought forward	\$7,968,001 71	\$9,105,226 49		
Lubricants for yard locomotives	15,546 79	18,633 28		\$ 3,086 49
Other supplies for yard locomotives	16,792 25	27,681 47		10,889 22
Enginehouse expenses—yard	291,218 40	306,064 50		14,846 10
Yard supplies and expenses	29,695 90	33,503 12		3,807 22
Operating joint yards and terminals—Dr.	480,941 57	347,100 44	\$133,841 13	
Operating joint yards and terminals—Cr.	522,935 00	613,096 46	90,161 46	
Train enginemen	1,683,819 12	2,004,082 55		320,263 43
Fuel for train locomotives	2,525,978 53	3,104,144 24		578,165 71
Water for train locomotives	198,211 18	233,383 47		35,172 29
Lubricants for train locomotives	57,625 02	70,264 58		12,639 56
Other supplies for train locomotives	41,977 66	55,599 97		13,622 31
Enginehouse expenses—train	520,998 66	529,045 57		8,046 91
Trainmen	1,865,209 15	2,099,145 90		233,936 75
Train supplies and expenses	682,704 92	638,686 63	44,018 29	
Signal and interlocker operation	375,758 87	386,243 12		10,484 25
Crossing protection	164,096 52	171,840 28		7,743 76
Drawbridge operation	28,195 53	26,529 93	1,665 60	
Telegraph and telephone operation	109,386 84	101,863 29	7,523 55	
Stationery and printing	195,616 54	231,372 74		35,756 20
Other expenses	76,788 60	99,236 54		22,447 94
Operating joint tracks and facilities—Dr.	159,741 01	156,085 86	3,655 15	
Operating joint tracks and facilities—Cr.	115,990 70	123,868 50	7,877 80	
Insurance	10,689 43	8,045 17	2,644 26	
Clearing wrecks	75,681 25	118,285 81		42,604 56
Damage to property	40,611 20	73,491 38		32,880 18
Damage to live stock on right of way	7,276 30	6,317 20	959 10	
Loss and damage—freight	817,163 87	886,079 24		68,915 37
Loss and damage—baggage	3,990 56	6,175 39		2,184 83
Injuries to persons	479,810 30	641,747 90		161,937 60
Totals	\$18,284,601 98	\$20,748,911 10		\$2,464,309 12
MISCELLANEOUS OPERATIONS				
Dining and buffet service	\$523,068 14	\$566,900 59		\$43,832 45
Hotels and restaurants	28,727 88	22,398 00	\$6,329 88	
Other miscellaneous operations	37,977 59	75,202 27		37,224 68
Totals	\$589,773 61	\$664,500 86		\$74,727 25
GENERAL				
Salaries and expenses of general officers	\$128,822 04	\$135,252 86		\$6,430 82
Salaries and expenses of clerks and attendants	570,343 86	562,332 45	\$8,011 41	
General office supplies and expenses	50,697 81	55,801 03		5,103 22
Law expenses	185,122 16	153,339 08	31,783 08	
Insurance	3,052 85	2,059 51	993 34	
Pensions	114,115 71	103,633 05	10,482 66	
Stationery and printing	48,145 83	59,676 94		11,531 11
Valuation expenses	24,600 00	1,906 51	22,693 49	
Other expenses	296,036 18	44,104 15	251,932 03	
General joint facilities—Dr.	5,310 46	6,498 16		1,187 70
General joint facilities—Cr.	631 55	470 85		160 70
Totals	\$1,425,615 35	\$1,124,132 89	\$301,482 46	
Total expenses—railway operations	\$37,699,350 80	\$43,745,396 36		\$6,046,045 56

PERCENTAGE OF RAILWAY OPERATING EXPENSES TO RAILWAY OPERATING REVENUES BY GROUPS

	1914	1913
Maintenance of way and structures	10·80	12·84
Maintenance of equipment	21·11	21·08
Traffic	1·86	1·81
Transportation—rail	35·49	34·96
Miscellaneous operations	1·14	1·12
General	2·77	1·89
Totals	73·17	73·70

*Annual Report**RAILWAY TAX ACCRUALS*

	1914	1913	Increase	Decrease
ON CAPITAL STOCK				
New York	\$8,311 50	\$8,224 65	\$86 85	
Pennsylvania	67,339 56	30,375 00	36,964 56	
ON GROSS EARNINGS				
New York	1,786 00	2,116 12		\$330 12
Pennsylvania	2,135 29	2,041 59	93 70	
Ohio	157,524 96	167,410 48		9,885 52
ON REAL ESTATE				
New York	103,409 50	100,465 83	2,943 67	
Pennsylvania	5,098 52	5,066 58	31 94	
Ohio	916,729 64	841,706 33	75,023 31	
Indiana	375,161 91	331,283 85	43,878 06	
Michigan	403,926 66	399,397 57	4,529 09	
Illinois	84,612 09	64,822 89	19,789 20	
ON BONDED DEBT (Pennsylvania)	67,057 36	26,000 00	41,057 36	
RAILROAD COMMISSIONERS' ASSESSMENTS (Ohio)	2,313 05	2,319 62		6 57
ON EQUIPMENT (Idaho)	5 89		5 89	
ON NET INCOME (United States)	218,487 70	145,207 03	73,280 67	
Totals	\$2,413,899 63	\$2,126,437 54	\$287,462 09	

DETAILS OF HIRE OF EQUIPMENT BALANCE

	1914	1913	Increase	Decrease
RECEIPTS				
Rent from locomotives	\$122,191 31	\$182,355 05		\$60,163 74
Rent from passenger-train cars	463,888 83	439,892 37	\$23,996 46	
Rent from work equipment	19,104 89	30,393 06		11,288 17
Hire of freight cars—credit balance		588,049 50		588,049 50
Total receipts	\$605,185 03	\$1,240,689 98		\$635,504 95
PAYMENTS				
Rent for locomotives	\$53,057 42	\$81,049 51		\$27,992 09
Rent for passenger-train cars	458,505 57	491,913 31		33,407 74
Rent for work equipment	814 24	641 29	\$172 95	
Hire of freight cars—debit balance	52,981 67		52,981 67	
Total payments	\$565,358 90	\$573,604 11		\$8,245 21
Net credit balance	\$39,826 13	\$667,085 87		\$627,259 74

DIVIDENDS

ON GUARANTEED STOCK			
Payable March 31, 1914, 6% on 5,335 shares of guaranteed stock		\$32,010 00	
Payable August 1, 1914, 6% on 5,335 shares of guaranteed stock		32,010 00	\$64,020 00
ON COMMON STOCK			
Payable March 31, 1914, 6% on 494,665 shares of common stock		\$2,967,990 00	
Payable July 29, 1914, 6% on 494,665 shares of common stock		2,967,990 00	5,935,980 00
Total dividends			\$6,000,000 00

*The Lake Shore and Michigan Southern Railway Company***DEDUCTIONS FROM GROSS INCOME***For lease of other roads*

ERIE AND KALAMAZOO RAILROAD		
Dividend at 10% on 6,000 shares of capital stock (\$50.00 per share)	\$30,000 00	
DETROIT HILLSDALE AND SOUTHWESTERN RAILROAD		
Organization expenses	\$500 00	
Dividend at 4% on 13,500 shares of capital stock	54,000 00	54,500 00
FORT WAYNE AND JACKSON RAILROAD		
Organization expenses	\$1,500 00	
Dividend at 5½% on 22,914½ shares of capital stock	126,027 88	127,527 88
KALAMAZOO ALLEGAN AND GRAND RAPIDS RAILROAD		
Interest at 5% on \$840,000 first mortgage bonds	\$42,000 00	
Dividend at 6% on 6,100 shares of capital stock	36,600 00	78,600 00
DETROIT MONROE AND TOLEDO RAILROAD		
Dividend at 7½% on 4,141 shares of capital stock		32,382 62
STURGIS GOSHEN AND ST LOUIS RAILWAY		
Interest at 3% on \$322,000 first mortgage bonds		9,660 00
BATTLE CREEK AND STURGIS RAILWAY		
Interest at 3% on \$79,000 first mortgage bonds		2,370 00
JAMESTOWN FRANKLIN AND CLEARFIELD RAILROAD		
Interest at 4% on \$11,000,000 gold mortgage bonds	\$440,000 00	
Dividend at 5% on 30,000 shares of capital stock	150,000 00	590,000 00
CLEVELAND SHORT LINE RAILWAY		
Interest at 4½% on \$11,800,000 first mortgage bonds	\$531,000 00	
Dividend at 5% on 47,500 shares common capital stock	237,500 00	768,500 00
LAKE ERIE ALLIANCE AND WHEELING RAILROAD		
Dividend at 4% on 30,000 shares of capital stock		120,000 00
MAHONING COAL RAILROAD		
40% of gross earnings of \$2,233,006.33 for year ended December 31, 1914	893,202 49	\$2,706,742 99
Joint facility rents		930,365 63
Miscellaneous rents		23,159 65
Miscellaneous tax accruals		2,818 01
Maintenance of investment organization		1,465 09
<i>Interest on funded debt</i>		
Interest 3½% per annum on gold mortgage bonds of 1897	\$1,750,000 00	
Interest 4% per annum on gold bonds of 1903	2,000,000 00	
Interest 4% per annum on gold bonds of 1906	2,000,000 00	
Interest 5% per annum on Kalamazoo and White Pigeon mortgage bonds	20,000 00	
Interest 5% per annum on equipment trust certificates of 1907	197,524 90	
Interest 4½% per annum on equipment trust certificates of 1910	440,129 02	
Interest 4½% per annum on equipment trust certificates of 1912	116,023 50	
Interest 4½% per annum on equipment trust certificates of 1913	79,219 80	6,602,897 22
Interest on unfunded debt		1,619,854 09
Total deductions from gross income		<u>\$11,887,302 68</u>

*Annual Report***DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY**

EXPENDITURES DURING THE YEAR FOR ADDITIONS AND IMPROVEMENTS TO THE PROPERTY CHARGED TO CAPITAL ACCOUNT

ADDITIONAL MAIN TRACKS:

Wagon Works to Alexis	\$15,548 39	
Detroit Branch	24,727 80	\$40,276 19

SEPARATION OF GRADES:

Ashtabula	\$22,260 29	
Cleveland	80,368 21	
Elyria	194,071 61	
Sandusky	26,565 91	
Toledo	8,609 19	
Ligonier	8,452 75	
Durham	10,488 11	
Chicago	450,400 95	
Detroit	77,385 79	878,602 81

YARD IMPROVEMENTS:

Air Line Junction, new yard facilities, engine house, shops, etc.		709,100 23
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ROADWAY AND BRIDGE IMPROVEMENTS:

Port Clinton, change of line	\$69,046 93	
Buffalo, lift bridge over Buffalo Creek	4,212 88	
Entire line, increased weight of rail	39,680 53	
Entire line, telegraph and telephone improvements	28,498 74	
Industrial and passing sidings, new signals and culvert renewals and other improvements	197,774 65	339,213 73

SHOPS, ENGINE HOUSES AND FUEL STATIONS:

Buffalo, coaling plant, cinder pit and washing plant	\$10,586 02	
Wesleyville, new engine house, repair and train yard	27,543 78	
Collinwood, general shop improvements	3,366 27	
Elkhart, locomotive and car repair shop	44,436 97	
Ashtabula, new steel car repair shop	147,089 55	
Painesville, new water line	12,290 36	
Englewood, new engine house, car repair shop and power plant	17,260 05	
General improvement in water supply	6,585 11	269,158 11

STATION AND OTHER STRUCTURES:

Ashtabula Harbor, dock improvements	\$21,623 59	
Toledo, ice house purchased from Armour and Company	20,117 08	
Chesterton, new freight and passenger station	18,291 32	
Toledo, express building	7,348 97	
Additions and improvements to various station buildings and other structures	18,375 01	85,755 97

LAND: At various places

180,391 23

EQUIPMENT:

Additions and betterments to trust equipment		20,767 26
	Total	\$2,523,265 53
Less credits account property abandoned, land sold and adjustments		76,560 07
	Net expenditure	\$2,446,705 46

*The Lake Shore and Michigan Southern Railway Company***CAPITALIZATION***Capital stock*

Number of shares authorized	500,000	Total par value authorized	\$50,000,000 00
Number of shares issued—common	494,665	Total par value issued and out- standing	\$50,000,000 00
Number of shares issued—guaranteed ten per cent	5,335	Par value per share	\$100 00
Total number of shares outstanding	500,000	Dividend for the year	12 per cent

Amount of capital stock per mile of road owned (857.64 miles), \$58,299.52

Funded debt

<u>Class of bond</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Amount of authorized issue</u>	<u>Amount issued and now outstanding</u>	<u>Rate of interest</u>	<u>Payable on the first day of</u>
EQUIPMENT OBLIGATIONS						
Payable in fifteen annual installments						
Equipment trust certificates	1907	Nov. 1, 1922	\$6,708,392 73	\$3,577,809 47	5 %	{ May and November
Equipment trust certificates	1910	Jan. 1, 1925	13,337,243 10	9,780,644 94	4½ %	{ January and July
Equipment trust certificates	1912	Jan. 1, 1927	2,974,961 25	2,578,299 75	4½ %	{ January and July
Equipment trust certificates	1913	Jan. 1, 1928	2,367,807 46	2,308,939 06	4½ %	{ January and July
MORTGAGE BONDS						
Gold mortgage	1897	June 1, 1997	50,000,000 00	50,000,000 00	3½ %	{ June and December
BONDS OF OTHER ROADS ASSUMED BY THIS COMPANY						
Kalamazoo & White Pigeon	1890	Jan. 1, 1940	400,000 00	400,000 00	5 %	{ January and July
MISCELLANEOUS OBLIGATIONS						
Gold bonds	1903	Sept. 1, 1928	50,000,000 00	50,000,000 00	4 %	{ March and September
Gold bonds	1906	May 1, 1931	50,000,000 00	50,000,000 00	4 %	{ May and November
Total amount of funded debt outstanding				\$168,645,693 22		

Amount of funded debt per mile of road owned (857.64 miles), excluding
Kalamazoo and White Pigeon bonds, \$196,172.86

*Treasurer, Room 3111 Grand Central Terminal,
New York*

Union Trust Company, New York

{ Transfers stock
Pays dividends
Transfers registered bonds
Pays interest on coupon and registered bonds
Registers stock

Annual Report

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1914

Assets

Investments

Investment in road and equipment			
Road		\$93,531,879 60	
Equipment			
Owned	\$29,244,215 12		
Trust equipment	28,685,066 45		
	<u>\$57,929,281 57</u>		
Replacement fund—Cr.	427,186 26	57,502,095 31	\$151,033,974 91
Improvements on leased railway property			30,184 30
Sinking funds			5,000 00
Miscellaneous physical property			105,264 02
Investments in affiliated companies			
Stocks		\$88,010,290 47	
Bonds		3,303,500 24	
Notes and advances			
New York Central and Hudson River R R Co	\$1,500,000 00		
Jamestown Franklin and Clearfield R R Co	2,151,384 17		
Lake Erie and Western R R Co	1,679,075 17		
Toledo and Ohio Central Ry Co	8,189,812 00		
Terminal Ry of Buffalo	1,595,000 00		
Indiana Harbor Belt R R Co	1,301,307 97		
Chicago Indiana and Southern R R Co	4,895,469 05		
Detroit Terminal R R Co	357,360 08		
Cleveland Cincinnati Chicago and St Louis Ry Co	8,854,548 50		
Lake Erie Alliance and Wheeling R R Co	48,925 16		
Lake Erie and Pittsburg Ry Co	75,000 00		
Cleveland Short Line Ry Co	1,966,174 65		
Merchants Despatch Transportation Co	250,000 00		
New York State Realty and Terminal Co	16,100,000 00		
Pittsburgh McKeesport and Youghioghenny R R Co	5,669,597 47		
Toledo Terminal R R Co	148,922 45	54,782,576 67	146,096,367 38
Other investments			
Stocks		\$21,841,835 71	
Advances		45 68	
Miscellaneous		825 00	21,842,706 39
Total investments			<u>\$319,113,497 00</u>

Current assets

Cash			
Treasurer	\$5,588,222 63		
Petty cash	500 00		
Local treasurer	541,492 04		
Local treasurer's remittance in transit	40,000 00		
Agents' and conductors' remittances in transit	421,224 53	\$6,591,439 20	
Special deposits		102,797 37	
Loans and bills receivable		10,100 00	
Traffic and car service balances receivable		388,521 57	
Net balance receivable from agents and conductors		1,301,743 18	
Miscellaneous accounts receivable		7,600,154 11	
Material and supplies		5,041,358 93	
Interest and dividends receivable		1,161,153 37	
Other current assets		204,960 12	22,402,227 85

Deferred assets

Working fund advances		\$54,468 95	
Other deferred assets		6,508 60	60,977 55

Unadjusted debits

Other unadjusted debits		\$3,079,585 67	
Securities issued or assumed—unpledged			
Lake Shore and Michigan Southern Ry Co stock		3,900 00	3,083,485 67
Total			<u>\$344,660,188 07</u>

*The Lake Shore and Michigan Southern Railway Company***CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1914***Liabilities**Stock*

Capital stock

Common

\$49,466,500 00

Guaranteed

533,500 00

\$50,000,000 00

Long term debt

Funded debt unmatured

Equipment obligations

Equipment trust certificates of 1907

\$3,577,809 47

Equipment trust certificates of 1910

9,780,644 94

Equipment trust certificates of 1912

2,578,299 75

Equipment trust certificates of 1913

2,308,939 06

\$18,245,693 22

Mortgage bonds

First general mortgage

\$50,000,000 00

Kalamazoo and White Pigeon first mortgage

400,000 00

50,400,000 00

Miscellaneous obligations

Gold bonds of 1903

\$50,000,000 00

Gold bonds of 1906

50,000,000 00

100,000,000 00

168,645,693 22

Current liabilities

Loans and bills payable

\$52,805,230 23

Audited accounts and wages payable

Audited vouchers

\$3,104,285 64

Audited pay-rolls

1,042,955 14

4,147,240 78

Miscellaneous accounts payable

551,208 07

Interest matured unpaid

74,817 50

Dividends matured unpaid

17,945 17

Unmatured interest accrued

1,412,750 67

Unmatured rents accrued

293,953 46

59,303,145 88

Deferred liabilities

Other deferred liabilities

552,377 91

Unadjusted credits

Operating reserves

\$13,463 51

Accrued depreciation—equipment

5,606,906 41

Other unadjusted credits

632,352 05

6,252,721 97

Corporate surplus

Additions to property through income and surplus

\$9,557,252 37

Profit and loss—balance

50,348,996 72

59,906,249 09

Total

\$344,660,188 07

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NEW YORK CENTRAL LINES EQUIPMENT TRUSTS

The following statement shows the character of the equipment acquired under the terms of the New York Central Lines Equipment Trust Agreements and Leases of 1907, 1910, 1912 and 1913 together with the total amount of certificates issued and the amounts now outstanding:

EQUIPMENT TRUST OF 1907

Road	Loco-motives	Passenger cars	Freight cars	Company service cars	Certificates issued for not to exceed 90% of value bearing interest at 5%	Certificates redeemed	Balance certificates outstanding December 31, 1914
N Y C & H R R R	447	88	4,000		\$11,904,901 78	\$5,555,620 84	\$6,349,280 94
L S & M S Ry	125	25	4,000	200	6,708,392 73	3,130,583 26	3,577,809 47
C I & S R R	2	8	3,400	150	3,779,976 60	1,763,989 08	2,015,987 52
M C R R	5	15	3,500	200	3,906,381 73	1,822,978 15	2,083,403 58
C C C & St L Ry	112	17	1,525	100	3,700,347 16	1,726,828 67	1,973,518 49
Totals	691	153	16,425	650	\$30,000,000 00	\$14,000,000 00	\$16,000,000 00

EQUIPMENT TRUST OF 1910

Road	Loco-motives	Passenger cars	Freight cars	Company service cars	Certificates issued for not to exceed 90% of value bearing interest at 4½%	Certificates redeemed	Balance certificates outstanding December 31, 1914
N Y C & H R R R	127	30	4,000		\$6,509,466 30	\$1,735,857 68	\$4,773,608 62
L S & M S Ry	75	60	12,500	250	13,337,243 10	3,556,598 16	9,780,644 94
C I & S R R	31	2	1,000		1,638,607 50	436,962 00	1,201,645 50
M C R R	112	34	3,300		5,520,295 80	1,472,078 88	4,048,216 92
C C C & St L Ry	80	6	1,600		2,994,387 30	798,503 28	2,195,884 02
Totals	425	132	22,400	250	\$30,000,000 00	\$8,000,000 00	\$22,000,000 00

EQUIPMENT TRUST OF 1912

Road	Loco-motives	Passenger cars	Freight cars	Company service cars	Certificates issued for not to exceed 90% of value bearing interest at 4½%	Certificates redeemed	Balance certificates outstanding December 31, 1914
N Y C & H R R R	50	70	6,350	150	\$7,156,741 50	\$954,232 20	\$6,202,509 30
L S & M S Ry			3,750		2,974,961 25	396,661 50	2,578,299 75
C I & S R R			250		194,280 75	25,904 10	168,376 65
M C R R	20		2,500		2,275,663 50	303,421 80	1,972,241 70
C C C & St L Ry	48	25	1,500		2,398,353 00	319,780 40	2,078,572 60
Totals	118	95	14,350	150	\$15,000,000 00	\$2,000,000 00	\$13,000,000 00

EQUIPMENT TRUST OF 1913

Road	Loco-motives	Passenger cars	Freight cars	Company service cars	Certificates issued for not to exceed 90% of value bearing interest at 4½%	Certificates redeemed	Balance certificates outstanding December 31, 1914
N Y C & H R R R	226	187	2,000		\$8,628,836 92	\$303,630 59	\$8,325,206 33
L S & M S Ry	33	127			2,367,807 46	58,868 40	2,308,939 06
M C R R	78	82			2,694,814 50	64,279 71	2,630,534 79
C C C & St L Ry		47	1,000		1,706,775 32	72,503 40	1,634,271 92
P & L E R R			4,000		3,981,991 50	265,466 10	3,716,525 40
T & O C Ry	3		3,500		3,057,774 30	71,251 80	2,986,522 50
Totals	340	443	10,500		\$22,438,000 00	\$836,000 00	\$21,602,000 00

*The Lake Shore and Michigan Southern Railway Company***STOCK AND BONDS OWNED***Stock*

	Number of Shares	Total par value
Battle Creek & Sturgis Railway Co	825	\$82,500 00
Chicago Indiana & Southern Railroad Co preferred	50,000	5,000,000 00
Chicago Indiana & Southern Railroad Co common	149,982	14,998,200 00
Chicago Kalamazoo & Saginaw Railway Co	1,800	180,000 00
Cleveland Cincinnati Chicago & St Louis Railway Co	302,077	30,207,700 00
Cleveland Short Line Railway Co	47,500	4,750,000 00
Detroit & Chicago Railroad Co	9,991	999,100 00
Detroit Monroe & Toledo Railroad Co	4,130	413,000 00
Detroit Toledo & Milwaukee Railroad Co	7,500	750,000 00
Detroit Terminal Railroad Co	933	93,300 00
Elkhart & Western Railroad Co	4,598	229,900 00
Fairport & Phalanx Railroad Co	10	1,000 00
Indiana Harbor Belt Railroad Co	7,350	735,000 00
Jamestown Franklin & Clearfield Railroad Co	29,945 ½	2,994,550 00
Jefferson Coal Co	5,100	510,000 00
Kalamazoo & White Pigeon Railroad Co	2,295	229,500 00
Lake Erie Alliance & Wheeling Railroad Co	30,000	3,000,000 00
Lake Erie & Pittsburg Railway Co	21,500	2,150,000 00
Lake Erie & Western Railroad Co preferred	59,300	5,930,000 00
Lake Erie & Western Railroad Co common	59,400	5,940,000 00
Lake Shore & Michigan Southern Railway Co common	39	3,900 00
Lansing Transit Railway	10	1,000 00
Mahoning Coal Railroad Co preferred	7,990	399,500 00
Mahoning Coal Railroad Co common	17,318	865,900 00
Mahoning State Line Railroad Co	16	800 00
Merchants Despatch Transportation Co	5,612	561,200 00
New York Chicago & St Louis Railroad Co 1st preferred	25,030	2,503,000 00
New York Chicago & St Louis Railroad Co 2nd preferred	62,750	6,275,000 00
New York Chicago & St Louis Railroad Co common	62,400	6,240,000 00
Northern Central Michigan Railroad Co	5,967	596,700 00
Pittsburgh & Lake Erie Railroad Co	299,885	14,994,250 00
Pittsburgh McKeesport & Youghiogheny Railroad Co	30,271	1,513,550 00
Reading Company 1st preferred	121,300	6,065,000 00
Reading Company 2nd preferred	285,300	14,265,000 00
Reading Company common	197,050	9,852,500 00
Sturgis Goshen & St Louis Railway Co	3,000	300,000 00
Swan Creek Railway Co	390	39,000 00
Terminal Railway of Buffalo	5,000	500,000 00
Toledo Terminal Railroad Co	3,872	387,200 00
Toledo & Ohio Central Railway Co preferred	37,014	3,701,400 00
Toledo & Ohio Central Railway Co common	58,463	5,846,300 00
Westinghouse Electric & Manufacturing Co	6	300 00
Total par value stock		<u>\$154,105,250 00</u>

Bonds

	Total amount held
Chicago Kalamazoo & Saginaw Railway Co First mortgage	\$507,000 00
Cleveland Cincinnati Chicago & St Louis Railway Co General mortgage	1,000,000 00
Lake Erie & Pittsburg Railway Co First mortgage	2,150,000 00
Terminal Railway of Buffalo First mortgage	500,000 00
Toledo & Ohio Central Railway Co First preference income	192,000 00
Total par value bonds	<u>\$4,349,000 00</u>
Grand total par value stock and bonds	<u>\$158,454,250 00</u>

The securities held by the company are carried on its books at a total value of \$113,159,526.42

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TABLE OF TRACKS

MAIN LINE		Miles	Second track	Third track	Fourth track	Sidings	Total
Buffalo to Toledo, via Norwalk		293·71	214·85	200·34	*187·48	405·87	1,302·25
Toledo to Vulcan		3·88	2·13			·89	6·90
Palmyra to Chicago, via Adrian		217·16	94·21	35·64	21·70	388·23	756·94
Total main line		514·75	311·19	235·98	209·18	794·99	2,066·09
BRANCHES OWNED							
Ashtabula to Ohio-Penna. State Line		30·72	12·81	2·47		11·38	57·38
Ashtabula to Ashtabula Harbor		2·33	1·34			64·38	68·05
Elyria Junction to Millbury Junction		73·00	73·00	37·64	28·76	77·78	290·18
Air Line Junction to Elkhart		131·87	131·83	79·22	29·66	52·61	425·19
Air Line Junction to Ohio-Michigan State Line		7·42	6·39			15·58	29·39
Monroe to Lenawee Junction		29·50				6·81	36·31
Lenawee Junction to Jackson		42·11				9·90	52·01
Carson to Mann		18·10	18·10			6·81	43·01
Total branches		335·05	243·47	119·33	58·42	245·25	1,001·52
Total main line and branches		849·80	554·66	355·31	267·60	1,040·24	3,067·61
PROPRIETARY LINES (OWNED WHOLLY BY THIS COMPANY)							
Detroit Toledo and Milwaukee Railroad	}	46·98				5·25	52·23
Dundee to Moscow							
Detroit Monroe and Toledo Railroad	}	51·43				39·15	90·58
Ohio-Michigan State Line to D & M Jct							
Detroit and Chicago Railroad	}	25·22				3·22	28·44
Grosvenor to Fayette							
Northern Central Michigan Railroad	}	61·34				14·77	76·11
Jonesville to North Lansing							
Sturgis Goshen and St Louis Railway	}	28·92				1·90	30·82
Goshen to Sturgis							
Elkhart and Western Railroad	}	12·10				9·47	21·57
Elkhart to Mishawaka							
Kalamazoo and White Pigeon Railroad	}	36·54				14·55	51·09
White Pigeon to Kalamazoo							
Battle Creek and Sturgis Railway	}	7·19				·63	7·82
Sturgis to Findley							
Total proprietary lines		269·72				88·94	358·66
LEASED LINES							
Erie and Kalamazoo Railroad	}	21·82				6·19	28·01
Richards to Palmyra							
Cleveland Short Line Railway	}	19·64	19·17			22·95	61·76
Rockport to Collinwood							
Lake Erie Alliance and Wheeling Railroad	}	87·67				38·92	126·59
Phalanx to Dillonvale							
Jamestown Franklin and Clearfield Railroad	}	103·56	11·08			37·00	151·64
Ohio-Penna. State Line to Rose Siding							
Franklin to Oil City	}	7·78				7·91	15·69
Polk Junction to Belmar							
Polk Junction to Belmar	}	10·71				4·87	15·58
Mahoning Coal Railroad							
Andover to Youngstown	}	38·19	11·00	8·82		41·44	99·45
Doughton to Sharon							
Mann to Brookfield	}	24·49	24·41			5·64	54·54
Branch to Keel Ridge							
Branch to Keel Ridge	}					·92	·92
Detroit Hillsdale and Southwestern Railroad							
Ypsilanti to Bankers	}	64·74				4·76	69·50
Fort Wayne and Jackson Railroad							
Jackson to Fort Wayne	}	97·53				24·12	121·65
Kalamazoo Allegan and Grand Rapids Railroad							
Kalamazoo to Grand Rapids	}	58·45				17·88	76·33
Total leased lines		542·52	65·66	8·82		223·29	840·29

*Includes ·85 miles of 5th main track and ·49 miles of 6th main track

The Lake Shore and Michigan Southern Railway Company

TABLE OF TRACKS—concluded

TRACKAGE RIGHTS	Miles	Second track	Third track	Fourth track	Sidings	Total
Pennsylvania Railroad Co Rose Siding to Falls Creek	21·68					21·68
Buffalo Rochester and Pittsburgh Ry Co Falls Creek to Clearfield	31·20					31·20
New York Central and Hudson River Railroad Co Buffalo	·66					·66
Erie Railroad Co Sharpsville to West Middlesex	10·28					10·28
Grand Trunk Railway System D & M Junction to Brush St Detroit	3·33					3·33
Michigan Central Railroad Co Jackson	·46					·46
Michigan Central Railroad Co Ypsilanti	·34					·34
New York Chicago and St. Louis Railroad Co Grand Crossing to Osborn	13·90					13·90
Chicago Indiana and Southern Railroad Co Osborn to Indiana Harbor	4·98					4·98
Gibson to Gibson Transfer	·74	·74				1·48
Lake Erie and Pittsburg Railway Co Marcy to Brady's Lake Junction	27·79				10·29	38·08
Pennsylvania Co Brady's Lake Junction to Minerva Junction	36·50					36·50
M V Junction to Ravenna Junction	1·19					1·19
Baltimore and Ohio Railroad Co Ravenna Junction to Haselton	37·08					37·08
<i>Total trackage rights</i>	<u>190·13</u>	<u>·74</u>			<u>10·29</u>	<u>201·16</u>
<i>Total mileage operated</i>	<u>1,852·17</u>	<u>621·06</u>	<u>364·13</u>	<u>267·60</u>	<u>1,362·76</u>	<u>4,467·72</u>

TABLE OF TRACKS ACCORDING TO STATES

STATE	Miles	Second track	Third track	Fourth track	Sidings	Total
New York	68·45	67·79	61·21	61·01	94·14	352·60
Pennsylvania	231·10	55·04	43·96	43·96	106·15	480·21
Ohio	674·12	337·33	205·52	131·26	703·09	2,051·32
Michigan	586·73				162·79	749·52
Indiana	267·97	153·25	48·70	26·73	218·19	714·84
Illinois	23·80	7·65	4·74	4·64	78·40	119·23
Totals	<u>1,852·17</u>	<u>621·06</u>	<u>364·13</u>	<u>267·60</u>	<u>1,362·76</u>	<u>4,467·72</u>

In addition to mileage operated as shown above, the company owns the following tracks which are leased to and operated by The New York Chicago and St. Louis Railroad Company.

	Main track	Second track	Total
Silver Creek to Dunkirk	<u>7·84</u>	<u>7·84</u>	<u>15·68</u>

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MILEAGE STATISTICS

		TRAIN MILEAGE		Increase	Decrease
TRANSPORTATION SERVICE		1914	1913		
Freight train-miles	7,800,397	10,190,890			2,390,493
Passenger train-miles	9,501,397	10,186,182			684,785
Mixed train-miles	50,295	50,393			98
Special train-miles	9,452	7,257	2,195		
Total revenue train mileage	17,361,541	20,434,722			3,073,181
Work train-miles	296,700	566,742			270,042
Total train mileage	17,658,241	21,001,464			3,343,223
		LOCOMOTIVE MILEAGE		Increase	Decrease
TRANSPORTATION SERVICE—LINE		1914	1913		
Freight locomotive-miles	8,590,348	11,373,519			2,783,171
Passenger locomotive-miles	9,913,178	10,822,443			909,265
Mixed train locomotive-miles	50,713	50,824			111
Special locomotive-miles	12,970	9,716	3,254		
Train switching locomotive-miles	272,822	248,271	24,551		
Yard switching locomotive-miles	7,547,121	9,191,477			1,644,356
Total revenue locomotive mileage	26,387,152	31,696,250			5,309,098
Work service locomotive-miles	590,743	1,141,851			551,108
Total locomotive mileage	26,977,895	32,838,101			5,860,206
		CAR MILEAGE		Increase	Decrease
TRANSPORTATION SERVICE		1914	1913		
Freight-train car-miles					
Freight cars—loaded	277,833,498	330,227,957			52,394,459
Freight cars—empty	147,920,579	155,467,573			7,546,994
Caboose cars	8,040,003	10,535,112			2,495,109
Total freight-train car-miles	433,794,080	496,230,642			62,436,562
Passenger-train car-miles					
Passenger cars	17,449,586	16,865,292	584,294		
Sleeping, parlor and observation cars	20,744,316	22,158,513			1,414,197
Dining cars	2,583,386	2,805,520			222,134
Other passenger-train cars (milk)	100,489	77,912	22,577		
Other passenger-train cars (other)	31,558,915	31,917,203			358,288
Total passenger-train car-miles	72,436,692	73,824,440			1,387,748
Mixed-train car-miles					
Freight cars—loaded	160,249	156,450	3,799		
Freight cars—empty	56,372	48,648	7,724		
Passenger cars	109,829	98,577	11,252		
Sleeping, parlor and observation cars		29			29
Other passenger-train cars	20,336	29,339			9,003
Total mixed-train car-miles	346,786	333,043	13,743		
Special-train car-miles					
Freight cars—loaded	172,018	166,701	5,317		
Freight cars—empty	13		13		
Caboose cars	9,667	7,317	2,350		
Passenger cars	84	180			96
Other passenger-train cars	42	42			
Total special-train car-miles	181,824	174,240	7,584		
Total revenue car mileage	506,759,382	570,562,365			63,802,983
Work service car-miles	1,454,351	3,873,369			2,419,018
Total car mileage	508,213,733	574,435,734			66,222,001

*The Lake Shore and Michigan Southern Railway Company***TRAFFIC STATISTICS**

DESCRIPTION OF FREIGHT MOVED

	1914	1913	Increase	Decrease
	Tons	Tons	Tons	Tons
PRODUCTS OF AGRICULTURE				
Grain	1,501,141	1,598,962		97,821
Flour	436,816	441,919		5,103
Other mill products	309,071	314,548		5,477
Hay	186,179	197,944		11,765
Tobacco	20,598	24,738		4,140
Cotton	32,396	38,972		6,576
Fruit and vegetables	511,313	427,672	83,641	
Other articles	208,560	242,274		33,714
PRODUCTS OF ANIMALS				
Live stock	471,280	518,017		46,737
Dressed meats	170,781	263,151		92,370
Other packing house products	161,233	173,382		12,149
Poultry, game and fish	138,048	117,681	20,367	
Wool	15,242	14,374	868	
Hides and leather	44,249	42,946	1,303	
Other articles	201,525	190,256	11,269	
PRODUCTS OF MINES				
Anthracite coal	1,224,736	1,714,726		489,990
Bituminous coal	8,285,017	11,494,189		3,209,172
Coke	793,890	1,306,369		512,479
Ores	4,149,744	6,351,944		2,202,200
Stone, sand and other like articles	3,367,971	4,108,722		740,751
Other articles	262,782	422,341		159,559
PRODUCTS OF FOREST				
Lumber	1,009,839	1,166,118		156,279
Other articles	137,670	160,110		22,440
MANUFACTURES				
Petroleum and other oils	601,207	673,537		72,330
Sugar	119,067	114,442	4,625	
Naval stores	55,767	15,295	40,472	
Iron, pig and bloom	352,003	660,331		308,328
Iron and steel rails	33,220	86,344		53,124
Other castings and machinery	646,852	932,209		285,357
Bar and sheet metal	1,168,539	1,647,238		478,699
Cement, brick and lime	1,555,850	1,551,587	4,263	
Agricultural implements	74,717	98,292		23,575
Wagons, carriages, tools, etc.	243,541	239,172	4,369	
Wines, liquors and beers	151,871	167,487		15,616
Household goods and furniture	83,524	94,251		10,727
Other articles	4,345,431	4,881,471		536,040
MISCELLANEOUS				
Other commodities not previously mentioned	746,201	601,022	145,179	
TOTALS	33,817,871	43,094,033		9,276,162

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TRAFFIC STATISTICS—concluded

FREIGHT	1914	1913	Increase	Decrease
Tons of revenue freight carried	33,817,871	43,094,033		9,276,162
Tons of company freight carried	4,126,487	5,339,133		1,212,646
Total tons of freight carried	37,944,358	48,433,166		10,488,808
Tons of revenue freight carried one mile	5,480,027,273	7,051,539,934		1,571,512,661
Tons of company freight carried one mile	351,715,072	478,963,143		127,248,071
Total tons of freight carried one mile	5,831,742,345	7,530,503,077		1,698,760,732
Miles of road operated in freight service	1,835.50	1,844.43		8.93
Tons of revenue freight carried one mile per mile of road	2,985,577	3,823,154		837,577
Tons all freight carried one mile per mile of road	3,177,196	4,082,835		905,639
Average distance haul of one ton of revenue freight	162.0	163.6		1.6
Average distance haul of one ton all freight	153.7	155.5		1.8
Average number of tons of revenue freight per train mile	698.0	688.5	9.5	
Average number of tons all freight per train mile	742.8	735.3	7.5	
Average number of tons of revenue freight per loaded car mile	19.7	21.3		1.6
Average number of tons all freight per loaded car mile	21.0	22.8		1.8
Average number of freight cars per train mile	55.3	48.5	6.8	
Average number of loaded cars per train mile	35.4	32.3	3.1	
Average number of empty cars per train mile	18.8	15.2	3.6	
Total freight revenue	\$31,979,887.51	\$38,490,183.75		\$6,510,296.24
Average amount received for each ton of freight	cts. 94.6	cts. 89.3	cts. 05.3	
Average revenue per ton per mile	mills 5.84	mills 5.46	mills 0.38	
Average revenue per mile of road	\$17,422.98	\$20,868.34		\$3,445.36
Average revenue per train mile	\$4.07	\$3.76	\$0.31	
PASSENGER				
Number of interline passengers carried	1,440,802	1,538,235		97,433
Number of local passengers carried	7,974,494	8,904,715		930,221
Total number of revenue passengers carried	9,415,296	10,442,950		1,027,654
Total number of revenue passengers carried one mile	635,440,048	680,382,013		44,941,965
Miles of road operated in passenger service	1,615.01	1,556.49	58.52	
Number of revenue passengers carried one mile per mile of road	393,459	437,126		43,667
Average distance each revenue passenger carried	67.49	65.15	2.34	
Average number of passengers per train mile	66.53	66.47	.06	
Average number of passengers per car mile	16.59	17.27		.68
Average number of passenger cars per train mile	7.60	7.23	.37	
Total passenger revenue	\$12,735,521.64	\$13,426,215.11		\$690,693.47
Average amount received from each passenger	\$1.35	\$1.29	\$0.06	
Average revenue per passenger per mile	cts. 2.004	cts. 1.973	cts. 0.031	
Total passenger service train revenue	\$16,892,229.04	\$17,917,226.09		\$1,024,997.05
Average passenger service train revenue per mile of road	\$10,459.52	\$11,511.30		\$1,051.78
Average passenger service train revenue per train mile	\$1.77	\$1.75	\$0.02	
TOTAL TRAFFIC				
Operating revenues	\$51,524,285.83	\$59,353,109.71		\$7,828,823.88
Operating expenses	37,699,350.80	43,745,396.36		6,046,045.56
Net operating revenue	\$13,824,935.03	\$15,607,713.35		\$1,782,778.32
Operating revenues per mile of road	\$27,806.93	\$31,811.58		\$4,004.65
Operating expenses per mile of road	20,345.80	23,446.30		3,100.50
Net operating revenue per mile of road	\$7,461.13	\$8,365.28		\$904.15
Operating revenues per train mile	\$2.97	\$2.90	\$0.07	
Operating expenses per train mile	2.17	2.14	0.03	
Net operating revenue per train mile	\$0.80	\$0.76	\$0.04	

*The Lake Shore and Michigan Southern Railway Company***EQUIPMENT IN SERVICE**

(INCLUDING EQUIPMENT OF LEASED LINES)

LOCOMOTIVES	Dec. 31, 1913	Increase		Decrease		Dec. 31, 1914
		Added	Change of class and service	Retired	Change of class and service	
For passenger service	147			2		145
For freight service	386			5		381
For switching service	198			2		196
Inspection engines	3					3
Totals	734			9		725

CARS IN PASSENGER SERVICE

Passenger coaches, wood	184		5		6	183
Passenger coaches, steel	7					7
Passenger coaches, steel underframe	18					18
Smoking cars, wood	62				5	57
Smoking cars, steel	10					10
Combination passenger and baggage cars, wood	23					23
Combination passenger and baggage cars, steel	5					5
Combination passenger, baggage and mail cars, wood	2					2
Dining cars, wood	9					9
Dining cars, steel	3					3
Dining cars, steel underframe	4					4
Cafe dining coaches, wood	3				2	1
Cafe dining coaches, steel underframe			2			2
Buffet and cafe cars, wood	10				1	9
Buffet and cafe cars, steel	2					2
Buffet and cafe cars, steel underframe	1		1			2
Mail cars, wood	31					31
Mail cars, steel	18					18
Mail cars, steel underframe	11					11
Mail and baggage cars, wood	14					14
Mail and baggage cars, steel underframe	6					6
Baggage and express cars, wood	166					166
Baggage and express cars, steel underframe	13					13
Special horse cars, wood	6					6
Special horse cars, steel	6					6
Milk cars	1				1	
Refrigerator express cars, steel underframe	74				4	70
Totals	689		8		19	678

CARS IN FREIGHT SERVICE

Box cars, wood	10,238	8		724	728	8,794
Box cars, steel underframe	2,178		717	2		2,893
Box automobile cars, wood	1,908			18	134	1,756
Box automobile cars, steel underframe	16		134			150
Refrigerator cars, wood	1,760			62	503	1,195
Refrigerator cars, steel underframe	1,673		507	2		2,178
Flat cars, wood	3,188	4		546	4	2,642
Flat cars, steel underframe	5		1			6
Stock cars	907	7		74		840
Coal and coke cars, wood	6,020			192	328	5,500
Coal and coke cars, steel	7,988			1		7,987
Coal and coke cars, steel underframe	1,128		324	1		1,451
Caboose cars	501	1		16		486
Totals	37,510	20	1,683	1,638	1,697	35,878

*Annual Report***EQUIPMENT IN SERVICE—concluded**

(INCLUDING EQUIPMENT OF LEASED LINES)

EQUIPMENT IN COMPANY'S SERVICE	Dec. 31, 1913	Increase		Decrease		Dec. 31, 1914
		Added	Change of class and service	Retired	Change of class and service	
Officers' cars, wood	4				1	3
Officers' cars, steel underframe	6		1			7
Air-brake instruction cars	1					1
Ballast cars, wood	94			7		87
Ballast cars, steel	478					478
Derrick cars	12					12
Steam wrecking cranes	8					8
Cinder, push, gas and oil transport cars	8			1		7
Other road cars	1,121		37	54		1,104
Totals	1,732		38	62	1	1,707

LEASED UNDER EQUIPMENT TRUSTS

LOCOMOTIVES	Dec. 31, 1913	Increase		Decrease		Dec. 31, 1914
		Added	Change of class and service	Retired	Change of class and service	
For passenger service	100					100
For freight service	98					98
For switching service	65					65
Totals	263					263

CARS IN PASSENGER SERVICE						
Passenger coaches, wood	15				9	6
Passenger coaches, steel underframe	40					40
Passenger coaches, steel		65				65
Smoking cars, wood	10		9			19
Mail cars, steel	6	19				25
Express and baggage cars, steel	25	30				55
Buffet cars, steel	2					2
Dining cars, steel	2	2				4
Dining cars, steel underframe	3					3
Totals	103	116	9		9	219

CARS IN FREIGHT SERVICE						
Box cars, wood	493	1		8		486
Box cars, steel underframe	4,753	10		2		4,761
Box automobile cars, wood	494			8		486
Box automobile cars, steel underframe	2,984			1		2,983
Refrigerator cars, steel underframe	468					468
Coal and coke cars, steel	11,492					11,492
Caboose cars	8	8				16
Pit cars		3				3
Totals	20,692	22		19		20,695

EQUIPMENT IN COMPANY'S SERVICE						
Ballast cars, steel	448					448

*The Lake Shore and Michigan Southern Railway Company***EQUIPMENT STATISTICS**

	1914	1913
Average mileage per engine	34,020	36,723
Cost of repairs per engine mile	cts. 8'54	cts. 8'13
Total capacity of freight train cars, tons	2,316,208	2,363,950
Average capacity of freight train cars, tons	41'54	40'97
Seating capacity of passenger train cars	33,187	26,135
Average seating capacity of passenger train cars	70	70
Average mileage per passenger train car	82,676	63,591
Average cost of repairs per passenger train car mile	cts. 0'65	cts. 1'16

MISCELLANEOUS STATISTICS**CONSUMPTION OF FUEL BY LOCOMOTIVES**

	1914	1913
Total tons of coal (bituminous)	1,854,057	2,419,837
Average pounds consumed per mile run by locomotives in freight service	200	208
Average pounds consumed per mile run by locomotives in passenger service	102	106
Average cost of fuel per ton	\$1.86	\$1.75
Average cost of fuel per locomotive mile	cts. 12'80	cts. 12'83

NEW STEEL RAIL LAID

Total tons of 100 pound rail, average price per ton, \$30.02,	11,138	18,508
Total tons of 80 pound rail, average price per ton, \$30.02,	2,645	7,257

NEW TIES LAID

Hard wood	154,788	375,949
Creosoted	820,452	1,054,255
Totals	975,240	1,430,204
Average price at distributing points	\$0.97	\$0.92

